

SHELTON BOARD OF EDUCATION

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Transportation Committee
Public Hearing 10:30 A.M. Room 2E of the LOB
Wednesday March 5, 2014

Connecticut General Assembly

Reference: Proposed S.B. No. 333 (Raised). "AN ACT EXEMPTING PROPANE GAS FROM THE GROSS RECEIPTS EARNINGS TAX WHEN USED AS A FUEL FOR OVER-THE-ROAD VEHICLES".

Superintendent Testimony Regarding Proposed SB 333

Good morning Senator Maynard, Representative Guerrera and distinguished members of the Transportation Committee,

In 2013, Shelton Mayor, Mark Lauretti elected to purchase 60 new Blue Bird propane autogas fueled buses in order to help reduce operating expenses and help improve the quality of air for the city. As Superintendent of Shelton Public Schools, I enthusiastically, supported our Mayor and Aldermen efforts to move forward to purchase Blue Bird Vision propane autogas buses.

There were several reasons for this decision but the most notable were as follows:

- 1. Our research demonstrated that propane autogas is a much cleaner burning fuel; far cleaner than gasoline and diesel with less harmful emissions: Propane autogas emits up to 20 percent less nitrogen oxide, 60 percent less carbon monoxide, 24 percent fewer greenhouse gas emissions and fewer particle emissions.
- 2. Propane autogas allows our school district and community to have a measurable positive impact on the environment. Additionally, we were invited by our Governor Daniel Malloy to the Capitol last spring with one of our buses, to participate in the Governor's "kick-off" event regarding "green fueling" while gaining recognition within our community, region and state for being pioneers for good environmental stewardship. Also, given that 90% U.S. propane supplies produced in this country, Shelton is doing its part to help reduce our country's dependence on imported oil.
- 3. Finally, Shelton's switch to propane autogas improved our bottom line by lowering our fuel cost significantly and reducing our maintenance costs. We expect even more savings in the future, which also means we are doing our part to keep the tax burden off of our residents.

We are pleased to have been part of this effort to move to this new form of transportation and believe it has been a success. Our new propane autogas buses have started and operated reliably despite the extreme cold weather we have experienced this winter and the engines are incredibly quiet. I cannot count the number of residents and staff, who have told me that they no longer dread driving behind a school bus because there are virtually no emission or odor.

Last year, the State of Connecticut recognized an inequity regarding the gross receipts tax being levied on propane autogas fueled buses when natural gas, diesel fuel and even gasoline powered school buses were exempt from this tax. The law was changed to exempt all propane autogas bus fleets from the gross receipts tax. Since every dollar saved helps to reduce the tax burden on our citizens, the exemption was truly welcomed by everyone.

Given the success the City of Shelton has had based on our own real world experience, we support S.B. 333 which would expand the gross receipts tax exemption for all fleets contemplating the move to propane autogas as an engine fuel for all over-the-road vehicles domiciled in Connecticut. As I stated earlier, propane autogas produces fewer harmful emissions than gasoline or diesel powered engines and is produced right here in America helping to reduce our nation's dependence on imported energy and helping to provide many new high paying jobs in the energy sector.

For us personally, we would pay approximately \$ 16,000 in taxes for using 100,000 gallons of propane at an approximate cost of \$ 2.00 per gallon. The current cost of propane is around \$ 2.25 per gallon. We project to use approximately 230,000 gallons of propane this year meaning the benefit from this exemption could be worth up to \$ 37,000 to the Board of Education. This savings would be extremely useful to us as it could go to purchase 16 additional SMART boards for our classrooms, two additional for each of our 8 school or purchasing another 106 Chrome Books, more than a dozen for each of our schools.

In closing, I asked the respected members of the CT General Assembly's Transportation Committee to fully consider and support this bill, which I believe will lead districts and municipalities across the state to choose green and environmentally sound fuel for their communities in the future.

I thank you for your time.

Sincerely,

Freeman Burr

Superintendent of Schools